

STATEMENT TO THE SUBCOMMITTEE ON CONSERVATION, CREDIT, RURAL
DEVELOPMENT AND RESEARCH

HEARING TO REVIEW THE MBR CUE PROCESS UNDER THE MONTREAL PROTOCOL

Thursday, March 10, 2005

by William A Carey

I thank everyone for the opportunity to address this committee. I wish this hearing the very best because its efforts are vitally important to all CUE applicants. Perhaps the best way I can demonstrate the importance of this issue to our forest nursery industry is to briefly describe the Southern Forest Nursery Management Cooperative, indicate the limit of our research funds, and allow you to compare our resources to our efforts to find an alternative to MBr as indicated in the list of Research Reports to our membership. The Nursery Coop has a membership of 11 States, 6 forest industries and 2 private forest companies that pay an annual membership dues of approximately \$8,000 per entity. Its members produce about 80% of the seedlings for reforestation in the US and they direct our research effort. Over the last decade most of that effort has been trying to determine how we will produce seedlings without MBr. The list of Research Reports, starting in 1993 indicate we carried out about 30 nursery studies, or three studies per year, and this has been most of my research efforts through this period.

When our research efforts began in 1993, like those of most other groups, we focused on the apparently doable job of finding a suitable replacement for MBr by concentrating on already registered and available chemical substitutes such as dazomet, metham sodium and chloropicrin in various combinations. We also evaluated several less promising, non-chemical alternatives. Surprisingly, the alternatives we tested produced damaging side effects with far greater impact on their widespread implementation than the reduced seedling yield observed in trials. Despite our research efforts, we have been unable to make much progress against these side effects and since a peak in our optimism around 2000, our concern with finding an alternative before 2005 has increased.

We have been involved with the CUE process since June 2002 when I attended the first round of meetings held by the EPA at an Orlando session to discuss the application process. Working with instructions from that meeting we filed our first CUE in September 2002. In October, I was asked by the EPA to help evaluate CUE's for other commodity groups and working through that process I came to appreciate that economists at the EPA had a good understanding of the economic realities for forest nurseries and were doing their best to send forward CUE's for all commodity groups with all the requirements to MEBTOC. In June of 2003, we attended the second round of meetings to provide information on CUE applications in Orlando, and although there was a lot of uncertainty about how the allocation process was going to work, it seemed that the CUE application process was firming up. Representatives from the EPA and USDA seemed to have a better understanding of what they would need to meet the demands of MEBTOC. The Nursery Coop filed a CUE in 2003 and I believe that our representatives from the US were surprised by how severely they were rejected. The response from MEBTOC seemed to indicate we were incapable of producing scientifically valid data. A recurrent comment was that more

effort be made to containerize the entire US forest nursery industry. However, since bareroot seedlings sell for about \$0.04 each and container seedlings sell for about \$0.14 the increased price at the nursery gate for containerizing an annual crop of 1.2 billion seedlings is \$120,000,000, and this figure does not address seedling quality issues. An economic assessment by the National Agriculture Pesticide Impact Assessment Program (NAPIAP) in 1993 estimated MBr returned more per pound (\$109/lb) in forest nurseries than for other significant crop uses. I have made similar estimates from real data by projecting present values for expected plantation growth for different seedling size distributions in fumigated and not fumigated plots.

Last year members of the forest nursery industry discussed the proposed Final Rule and the CUE nominations for 2005 in conference calls and subsequently responded to the EPA with comments and questions. Although the figures in the 2004 nomination seemed to us to be minimal I came to believe that our representatives at the EPA really believed that the past years “misunderstandings” with MEBTOC had been worked out and these figures would pass essentially as taken forward. I believe that our meeting here today is to assess why that did not happen in Prague in 2004.

I have probably spent 50% of my research effort on evaluating fumigants over the last 10 years and in the last three, with others at the Nursery Coop, put in another 10% of my effort and time on producing CUE’s and filling other information requirements. Given the amount of time devoted to the CUE process it is amazing how little we know about what we have accomplished for our industry.

When MBr was added to the Montreal Protocol, there was to be a scientific assessment of its role in ozone depletion. Data gathering went on for a couple of years and then a number just seems to have been assigned to its depletion potential. It appears to many that the MBr allotted at the end of the CUE process were also independent of data and the allotments were arrived at by working backward from a known number. It would help MBr users if the CUE process worked as intended. If it cannot it would help if we were told what the allocation number is so we could save our effort on the process. It may, as the saying goes, take an act of Congress.